

Sestante Dynamic Balanced Portfolio

Monthly Investment Report

As of 31/07/2023

Latest Performance*

| | 1-mth | 3-mths | 1-yr | 3-yr | Inception |
|---------------------------|-------|--------|------|------|-----------|
| Sestante Dynamic Balanced | 2.19 | 2.85 | 6.49 | 5.89 | 5.12 |
| RBA Cash Rate + 3.5% p.a. | 0.65 | 1.91 | 6.88 | 4.76 | 4.64 |



Market Review

US equities continued to rise in July, with the S&P 500 (+3.11% in USD terms) and the Nasdaq 100 (+3.81%) rallying for the 5th consecutive month. All sectors ended July in the black. The MSCI AC World Daily TR was up +3.66% in USD terms and +2.80% in AUD terms as the Australian Dollar strengthened against the US Dollar, but softened vis-à-vis the other major and developed currencies. Emerging markets outperformed on the back of the resurgence in Chinese equities.

The CSI Overseas China Internet, which tracks the performance of the largest Chinese Big Tech firms, was up double digit, recording its 5th best month ever. Australian equities rallied smartly in July, supported by better than expected inflation data. The S&P/ASX 300 TR added +2.89% following the release of the Australian Bureau of Statistics' report, which saw the headline CPI rise +0.8% QoQ and +6.0% YoY.

Mid-caps and smaller companies strongly outperformed the Top 20, while value stocks outperformed growth stocks. The FED, ECB and Bank of Japan continued their rate tightening over the month with the Bloomberg Barclays Global Aggregate Index hedged back to AUD almost unchanged. The RBA held the cash rate at 4.10%, delivering its second pause since May. The Bloomberg AusBond Composite 0+ Yr rose +0.52% for the month.

In terms of portfolio exposures, we see a window of opportunity in August and September to make use of the spike in fixed income yields to buy longer dated bonds in our portfolios as we still believe the US economy will deteriorate in the last quarter of this year causes rates to fall. We do not see any particular reasons to reduce our exposure to growth assets too far ahead of the above scenario. We expect the rotation into sectors that tend to perform better at times of rising yields, such as energy and financials, to persist. Traditional defensives are starting to see inflows as well, signalling that investors may be concerned about what lies a quarter ahead. Our portfolios remain positioned accordingly.

For a detailed market review and outlook, please refer to the *Monthly Market Commentary* document for more.

\$10,000 invested over time



■ Sestante Dynamic Balanced ▬ RBA Cash Rate + 3.5% p.a.

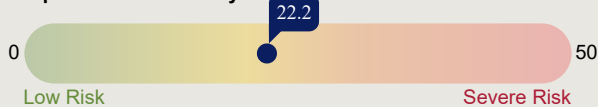
Portfolio information

- Investment Objective: target RBA cash rate +3.5% per annum over rolling 5-year periods after fees.
- Asset Class: Diversified
- 70% Growth / 30% Defensive Split
- Portfolio Inception Date: 7 February 2019

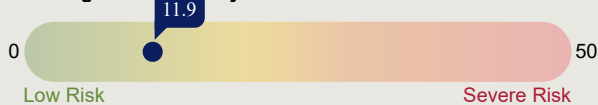
Sustainability Score

● Sestante Dynamic Balanced

Corporate Sustainability Score



Sovereign Sustainability Score



ESG Pillar Score



5.7

Environmental



8.9

Social



6.5

Governance



1.1

Unallocated

Major Index Returns

| | 1 Month | 3 Months | 6 Months | 1 Year | 3 Years |
|----------------------------------------|---------|----------|----------|--------|---------|
| S&P/ASX 200 TR AUD | 2.88 | 2.04 | 1.22 | 11.67 | 11.99 |
| MSCI World Ex Australia GR AUD | 2.11 | 6.66 | 16.88 | 18.25 | 14.58 |
| Bloomberg AusBond Composite 0+Y TR AUD | 0.52 | -2.63 | -0.70 | -1.54 | -3.46 |
| Bloomberg Global Aggregate TR Hdg AUD | -0.04 | -0.75 | -0.07 | -3.60 | -3.98 |
| S&P Global Infrastructure NR AUD | 0.73 | -2.91 | 4.91 | 4.89 | 11.70 |

Important information

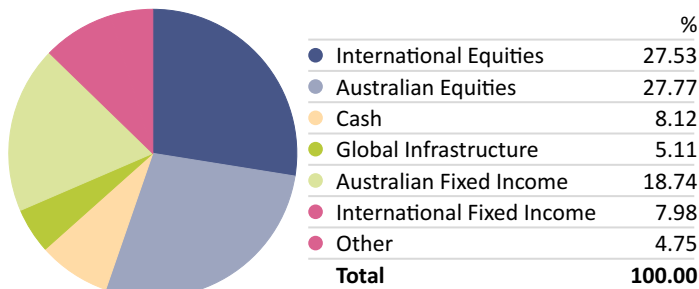
*Past performance is not a reliable indicator of future performance. Performance is calculated before taxes, model management and platform fees and after underlying investment management fees. For full details of fees please refer to the relevant platform offer documents. Performance is notional in nature and an individual investor's actual performance may differ to that of the model portfolio. Investment performance is shown from 8/8/2020 and represents modelled performance only and assumes income received is reinvested.

The Morningstar Historical Corporate Sustainability Score is a weighted average of the trailing 12 months of Morningstar Portfolio Corporate Sustainability Scores. Historical portfolio scores are not equal-weighted; rather, more-recent portfolios are weighted more heavily than older portfolios. Combining the trailing 12 months of portfolio scores adds consistency while still reflecting portfolio managers' current decisions by weighting the most recent portfolio scores more heavily.

ESG pillar scores are displayed as a number between 0 and 100 with most scores range between 0 and 25. It is the asset-weighted average of the company environmental, social, governance risk scores for the covered corporate holdings in a portfolio. The scores measure the degree to which a company's economic value may be at risk driven by environmental, social, and governance factors. The risk represents the unmanaged risk exposure after taking into account a company's management of such risks.

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Current Asset Allocation



Where your funds are invested

| | | |
|--------------------------------------------|---------------|------|
| Australian Equities | 27.77 | |
| iShares Core S&P/ASX 200 ETF | 13.39 | 🌐🌐🌐🌐 |
| Schroder Australian Equity Fund - PC | 5.59 | 🌐🌐🌐 |
| Bennelong ex-20 Australian Equities | 4.44 | 🌐🌐🌐🌐 |
| Paradise Australian Equities Fund | 4.35 | 🌐🌐🌐 |
| International Equities | 27.53 | |
| Ironbark Royal London Concentrated Gbl Shr | 8.48 | 🌐🌐🌐 |
| BetaShares S&P 500 Equal Weight ETF | 6.40 | 🌐🌐🌐 |
| GOG Partners Global Equity AUD Hedged | 5.54 | 🌐🌐 |
| iShares S&P 500 AUD Hedged ETF | 5.07 | 🌐🌐🌐 |
| Fidelity Asia | 2.03 | 🌐🌐🌐 |
| Australian Fixed Income | 18.74 | |
| Janus Henderson Tactical Income | 7.70 | 🌐🌐🌐 |
| Franklin Australian Core Plus Bond I | 6.63 | 🌐🌐🌐 |
| Macquarie Income Opportunities | 4.41 | — |
| Cash | 8.12 | |
| BetaShares Aus High Interest Cash ETF | 5.26 | — |
| iShares Core Cash ETF | 2.86 | — |
| International Fixed Income | 7.98 | |
| PIMCO Diversified Fixed Interest W | 4.10 | 🌐🌐🌐 |
| FSI Wholesale Global Credit Income | 3.89 | 🌐🌐🌐 |
| Global Infrastructure | 5.11 | |
| VanEck FTSE Gbl Infrast(Hdg)ETF | 5.11 | 🌐🌐 |
| Global Property | 4.75 | |
| Martin Currie Real Income I | 4.75 | 🌐🌐🌐 |
| Total | 100.00 | |

Morningstar's Globe Ratings are just one tool that can help investors work out a fund's ESG credentials. A 5 Globe Rating indicates a fund is at the top end of its peer group in terms of sustainability, while a 1 Globe Rating shows it is underperforming on sustainability issues.

Portfolio changes

There were no portfolio changes this month.

Active Asset Allocation: AZ Sestante Model Portfolio vs Investment Policy Target

As of 31/07/2023

